

Message

From: Jackson, Ryan [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=38BC8E18791A47D88A279DB2FEC8BD60-JACKSON, RY]
Sent: 7/19/2018 10:27:38 AM
To: Konkus, John [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=555471b2baa6419e8e141696f4577062-Konkus, Joh]; Hewitt, James [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=41b19dd598d340bb8032923d902d4bd1-Hewitt, Jam]; Yamada, Richard (Yujiro) [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=4c34a1e0345e4d26b361b5031430639d-Yamada, Yuj]; Grantham, Nancy [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=12a3c2ed7158417fb0bb1b1b72a8cfb0-Grantham, Nancy]; Block, Molly [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=60d0c681a16441a0b4fa16aa2dd4b9c5-Block, Moll]
Subject: Fwd: Morning Energy: All eyes on carbon tax vote — IG opens investigation into Zinke-Halliburton deal — Savor the FERC

Deliberative Process / Ex. 5

Ryan Jackson
Chief of Staff
U.S. EPA

Personal Matters / Ex. 6

Begin forwarded message:

From: "POLITICO Pro Energy" <politicoemail@politicopro.com>
Date: July 19, 2018 at 5:44:21 AM EDT
To: <jackson.ryan@epa.gov>
Subject: Morning Energy: All eyes on carbon tax vote — IG opens investigation into Zinke-Halliburton deal — Savor the FERC
Reply-To: "POLITICO subscriptions" <reply-fe8113757d63037476-630326_HTML-786581600-1376319-0@politicoemail.com>

By Kelsey Tamborrino | 07/19/2018 05:42 AM EDT

With help from Eric Wolff, Anthony Adragna, Darius Dixon, Nick Juliano and Ben Lefebvre

CARBON COPY: Today's largely symbolic vote on an anti-carbon tax resolution could offer Republicans helpful campaign-trail fodder against Democrats — but it comes with a price tag for

some of the House's most endangered moderates. Pro's Anthony Adragna reports this morning on the dilemma facing the more than 40 House GOP members of the Climate Solutions Caucus, who are stuck in a no-win position. Environmentalists say opposing the resolution is the least those members could do, but it would require them to buck party leadership whose support they'll need in the midterms.

The nonbinding resolution in question, H. Con. Res. 119 (115), from Majority Whip Steve Scalise, declares a carbon tax "detrimental to American families and businesses." It has the support of conservatives such as the Koch brothers' business and political network, Anthony reports. It also has a history: When a similar resolution popped up two years ago, Republicans voted en masse that a carbon tax is "not in the best interest."

But this time around, the dynamics have shifted, with a growing number of moderate or politically embattled Republicans trying to show voters that they take seriously the threat of climate change — something not mentioned in Scalise's resolution. Environmental groups have made it clear they're watching today's vote closely to see if Republicans joined the caucus more for political cover than in support of any ideology. "There are some of the members of the Climate Solutions Caucus who appear to have done it for greenwashing purposes," said Tiernan Sittenfeld, the senior vice president of government affairs for the League of Conservation Voters. Read more.

For the vote, ME is keeping an eye on the following lawmakers:

— **Republicans:** Reps. Carlos Curbelo, Dave Reichert, Ryan Costello, Frank LoBiondo, Elise Stefanik, Mark Sanford, Ileana Ros-Lehtinen, Mike Coffman and Barbara Comstock.

— **Democrats (who voted for the last resolutions):** Reps. Henry Cuellar, Collin Peterson, Sanford Bishop and Kyrsten Sinema (who's running for Senate in Arizona).

SOUND OFF: Forty-one conservative groups signed onto a letter to lawmakers this week calling on them to support the anti-carbon tax resolution. "We oppose any carbon tax," said the groups, which include the American Energy Alliance and Competitive Enterprise Institute.

— **Conservative groups receptive** to climate policies, including the R Street Institute and American Enterprise Institute, sent a letter to Speaker Paul Ryan criticizing the resolution for ignoring the threat of climate change. "An economy-wide carbon tax that replaces existing regulatory interventions could reduce the cost of climate policy and deregulate the economy," they wrote.

— **Sixteen green groups** sent a letter objecting to the resolution, which they said "is a tiresome effort advanced by the Koch brothers and their 'Just Say No' partners that deny the need to take any action on climate."

IT'S THURSDAY MORNING! I'm your host, Kelsey Tamborrino. Andeavor's Stephen Brown correctly guessed that D.C. has hosted the All-Star game five times since it began: in 1937, 1956, 1962, 1969 and 2018. For today: Which former Supreme Court justices once appeared on U.S. currency? Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter @kelseytam, @Morning_Energy and @POLITICOPro.

View the latest POLITICO/AARP poll to better understand Arizona voters over 50, a voting bloc poised to shape the midterm election outcome. Get up to speed on priority issues for Hispanic voters age 50+, who will help determine whether Arizona turns blue or stays red.

What role will Hispanic voters over 50 play in Arizona this Fall? Read POLITICO Magazine's new series "[The Deciders](#)" which focuses on this powerful voting bloc that could be the determining factor in turning Arizona blue.

IG OPENS ZINKE-HALLIBURTON INVESTIGATION: The Interior Department's internal watchdog has opened a formal investigation into a real estate deal involving Interior Secretary Ryan Zinke and Halliburton Chairman David Lesar, according to a letter sent to House Democrats on Wednesday. The probe was spurred by a [POLITICO report](#) from June that linked a foundation created by Zinke — and run by his wife — with a real estate development deal in his hometown. The inspector general's probe will focus on whether Zinke violated conflict of interest laws, the latest official inquiry of Zinke's activities in his 16 months helming the department, POLITICO's Ben Lefebvre [reports](#).

Timing is everything: The announcement of the IG investigation arrived right after the House on Wednesday shot down an amendment from Natural Resources ranking member Raúl Grijalva that would have funded Interior's IG by an extra \$2.5 million. The amendment to the Interior-Environment title, [H.R. 6147 \(115\)](#), failed 190-223, mostly along party lines. In a statement, Grijalva called Zinke "the most scandal-plagued Interior secretary in recent memory" as a reason why the extra funding is necessary. Read [more](#).

FORMALDEHYDE FEARS: In the spring of 2017, as Scott Pruitt was finishing the more than \$9,500 redecoration of his office, a top career official in the administrator's office noticed a California warning label on one of the ornate [desks](#) their boss wanted, Pro's Annie Snider [reports](#). It contained formaldehyde, which the state classifies as a carcinogen, prompting an internal back and forth about how to proceed. "Sorry to bother you with this but we need some help," acting deputy chief of staff Reginald Allen wrote in an April email to a top career official in EPA's chemical office. "The desk the Administrator wants for his office from Amazon has a California Proposition 65 warning. What I am asking is can someone in your area tell us whether it is OK to get this desk for the Administrator related to the warning?"

The official, Wendy Cleland-Hamnett, explained that the desk was likely made of compressed wood in which formaldehyde is frequently used as a glue and suggested airing it out for a few days before putting it in Pruitt's office, according to [emails](#) released to the group American Oversight under the Freedom of Information Act. The April exchange came a few months before Pruitt's top political aides [blocked](#) the release of a report on health dangers from the same chemical, as POLITICO has previously reported.

OKLAHOMA BAR DISMISSES PRUITT COMPLAINT: The Oklahoma Bar Association dismissed an ethics complaint related to Pruitt's personal email account during his time as attorney general, according to an attorney with the Center for Biological Diversity, which filed the complaint. CBD and an Oklahoma law professor had [requested](#) the state bar investigation in March 2017, Pro's Alex Guillén reports, following testimony before Congress, where Pruitt said under oath that he had not used personal email to conduct state business as attorney general. More [here](#).

READY TO ROLL: It won't resemble what will ultimately become law, but House lawmakers today are poised to pass a minibus, [H.R. 6147 \(115\)](#), complete with EPA and Interior funding. That comes after they adopted a host of amendments late Wednesday evening. Here's some to highlight:

— **Methane rule:** Lawmakers blocked, 215-194, [enforcement](#) of the Obama-era EPA rule regulating methane emissions from new oil and gas sources,

— **Social cost of carbon:** They cleared by a 215-199 margin another measure from Rep. Markwayne Mullin that bars the use of the social cost of carbon in regulatory actions,

— **Truck trailers:** Lawmakers approved by voice vote an amendment barring EPA from regulating truck trailers under the Clean Air Act,

— **Endangered Species Act:** The chamber adopted an amendment by a 213-201 vote barring the continued listing of species whose status has not been reviewed every five years, as required. Lawmakers also passed amendments specifically blocking listings for Preble's meadow jumping mouse by a 213-202 vote and the lesser prairie chicken by 216-199, but rejected 206-209 one concerning the New Mexico meadow jumping mouse.

— **Chesapeake Bay cleanup:** Language weakening EPA's ability to enforce Chesapeake Bay cleanup goals passed by 213-202. Similar efforts have previously cleared the House before stalling in the Senate,

— **EPA's hiring authority:** Rep. Michael Burgess' amendment, which passed by voice vote, bars the agency from using special hiring authority to attract new specialized employees, like scientists, with salaries exceeding normal federal caps,

— **EPA's regulatory authority:** An amendment from Rep. Scott Perry, which was adopted by voice vote, would bar EPA from issuing regulations under Section 115 of the Clean Air Act,

— **Environmental justice:** Rep. Jody Hice's amendment blocking small environmental justice grants fell by a wide 174-240 margin,

— **California water wars:** Lawmakers also approved an amendment from Rep. Jeffrey Denham by voice vote that would effectively block a new state water allocation plan that would leave more water in the north to help beleaguered fish populations and reduce flows to southern California farms and communities, and,

— **Attorney fees:** The federal government cannot pay attorney fees under any settlement reached under the Clean Air Act, the Clean Water Act, and the Endangered Species Act under this adopted amendment, 215-199.

SAVOR THE FERC: FERC doesn't hold a monthly meeting in August so the July get-together can sometimes be a slog. Not this year! There are just six electric items and despite commissioners' attempts to shovel in more certificate items, the agenda reads like an invitation to get everyone's summer vacations started. There is some notable business, though. Regulators are prepared to weigh in on setting up a lower threshold for power plants and transmission operators to report cyber threats to their systems. In December, when FERC unveiled the proposed rule, agency staff said they were partly motivated to expand the reporting requirements because no cyber incidents were filed in 2015 or 2016. The North American Electric Reliability Corp.'s main request was to not be forced to rewrite existing reliability standards, a position backed by the American Public Power Association. But regulators received fierce opposition from Microsoft, the Edison Electric Institute, and the National Rural Electric Cooperative Association, so it's conceivable that significant changes have been made since Christmas season.

Gas release: FERC is also poised to act on a series of challenges made to interstate natural gas pipelines it has taken up over the past year. Perhaps the most notable docket involves the Constitution pipeline, which New York brought to a halt. The state used its authorities under the Clean Water Act to deny the project a needed water quality permit, a decision that has been

upheld in court. But the project developer has argued that FERC should've determined what amount of time was "reasonable" for New York to review the application rather than defaulting to a one-year timeline (EPA suggests either is fine).

The eagle prepares for takeoff: Although there's a commissioner-led technical conference later this month, today will be Rob Powelson's last open meeting at the agency at the leadership table. His departure, slated for mid-August, will leave FERC without the perspective of someone brewed in PJM and the state regulatory community. The proud Philly native also leaves FERC with four members, changing the dynamics of how the agency continues a wide range of hot dockets. Read Darius' June 28 interview with Powelson about his plans for a refresher. The FERC meeting starts at 10 a.m. and will be livestreamed.

PEAK RELIABILITY HAS PEAKED, WILL CLOSE: Peak Reliability, the organization tasked with ensuring adequate electric supplies across the West, announced Wednesday it will cease operations by the end of 2019. Peak said just last year that it was working with PJM Interconnection to establish a market for the West. The organization faced stiff competition from California's growing Energy Imbalance Market and nascent reliability services.

ABOUT THOSE REORG PLANS: When OMB announced a plan last month to overhaul the federal government, Dan Simmons, a senior official at DOE, and Sen. Lisa Murkowski acknowledged that neither of them knew what the White House was up to. Today, Murkowski's Senate Energy and Natural Resources Committee hopes that officials from both DOE and Interior will be able to fill in a few gaps about those reorganization plans. ME isn't expecting to see a lot of new ground tread this morning and we all know that Congress doesn't have the appetite for major legislative efforts, but lawmakers may try to tease out what changes the administration may implement without congressional approval, akin to DOE's creation of a new cyber office. Interior has expressed intentions to make big changes for more than a year but hasn't given committee Republicans or Democrats a formal report on its reorganization plans, staff members for both sides told ME. The hearing starts at 10 a.m. in 366 Dirksen.

FOR YOUR RADAR: EPA's Office of Inspector General will issue its second report today on the Flint, Mich., water crisis, after first announcing in January 2016 that it would do preliminary research into the city's lead contamination crisis. In October of that year, the watchdog issued a "management alert" that said EPA should have stepped in to address lead-contaminated drinking water seven months before it did.

EPW HEARS FROM CEQ NOMINEE: The Senate Environment and Public Works Committee will hold a hearing today on Mary Neumayr's selection to lead the White House Council on Environmental Quality. Neumayr has been acting head of CEQ since March 2017 and is the Trump administration's second selection to run the department after Kathleen Hartnett White withdrew from consideration. **If you go:** The hearing kicks off at 10 a.m. in 406 Dirksen.

Ahead of the hearing, a coalition of trade associations sent this letter to committee leadership in support of Neumayr, who they call "well-qualified" to lead.

WHAT'S THE COST OF FREEDOM? COAL BAILOUT COULD COST UP TO \$35 BILLION A YEAR: A DOE subsidy of coal and nuclear plants could cost up to \$35 billion annually, according to a study out this morning by Brattle Group and funded by a coalition of groups including Advanced Energy Economy, the American Petroleum Institute, the American Wind Energy Association, the Electric Power Supply Association, and the Natural Gas Supply Association, and Electricity Consumers Resource Council. The study relied on a leaked memo that outlined DOE's plan to save coal and nuclear power plants in danger of retirement to

develop possible cost estimates, though the memo did not describe who would make the payments or which plants would receive them. The study finds that if DOE takes a narrow approach to determining which plants need extra payments, it would still spend \$10 billion to \$17 billion a year. But if it decides to give payments to all coal and nuclear plants nationally and also provide a return on investment, as it proposed FERC should do last year, costs could double.

QUICK HITS

- "Musk enlisted Sierra Club to deflect flak over GOP donation," [Bloomberg](#).
- "White House criticizes Interior-EPA funding but stops short of veto threat," [POLITICO Pro](#).
- "Pro-PG&E wildfire bill written by lawmaker whose son works at PG&E," [San Francisco Chronicle](#).
- "Texas A&M says Energy Secretary Rick Perry, an Aggie, didn't tilt nuke lab bid," [Dallas Morning News](#).
- "Pentagon objects to GOP rider blocking protection of birds," [The Associated Press](#).

HAPPENING TODAY

- 9 a.m. — The Atlantic Council [discussion](#) on "Finnish Perspectives on Energy Security in Europe," 1030 15th Street NW.
- 9 a.m. — The Brookings Institution [discussion](#) on "Evidence-based policy: How is it faring in the Trump era?" 1775 Massachusetts Avenue NW.
- 10 a.m. — Senate Environment and Public Works Committee [hearing](#) on nomination of Mary Bridget Neumayr, 406 Dirksen.
- 10 a.m. — Senate Energy and Natural Resources Committee [hearing](#) on "Administration Reorganization and Modernization Proposals for DOE and DOI," 366 Dirksen.
- 11 a.m. — The Natural Resources Defense Council [conference call briefing](#) on how "to fix the transportation systems in New York and New Jersey that currently contribute to climate change pollution, ill health effects, stress, lost work hours and economic activity, and other serious problems."
- 12 p.m. — The Woodrow Wilson Center's China Environment Forum [discussion](#) on "Aiming Low: Wielding New Low-carbon Tools to Help Chinese and U.S. Cities Peak Carbon," 1300 Pennsylvania Avenue NW.

THAT'S ALL FOR ME!

To view online:

<https://subscriber.politicopro.com/newsletters/morning-energy/2018/07/all-eyes-on-carbon-tax-vote-284289>

Stories from POLITICO Pro

Carbon tax vote tests GOP climate moderates [Back](#)

By Anthony Adragna | 07/19/2018 05:02 AM EDT

The symbolic vote against a carbon tax House Republicans are planning Thursday is putting some of their most endangered moderates in a no-win situation.

Majority Whip Steve Scalise's (R-La.) nonbinding resolution, [H. Con. Res. 119 \(115\)](#), declares a carbon tax "would be detrimental to American families and businesses." While it may provide campaign-trail fodder to accuse Democrats of supporting higher energy prices, the resolution may also complicate the efforts of some GOP lawmakers to convince voters that they take seriously the threat of climate change — a subject Scalise's resolution does not even mention.

More than 40 House GOP members have joined the Climate Solutions Caucus, which describes its mission as exploring bipartisan policy options to address the causes and impacts of climate change and sea-level rise.

Many Republican caucus members face outside pressure from environmental groups to show they joined the bipartisan group for more than political cover — but even if they buck leadership on the carbon tax vote, they are unlikely to earn green groups' support in tough reelection races. At the same time, those moderates risk provoking a backlash from conservative voters should they join Democrats in voting against the resolution. No Republicans opposed a similar anti-carbon tax resolution that passed the House two years ago.

Florida Reps. Carlos Curbelo (R) and Ted Deutch (D) co-chair the climate caucus whose ranks have swelled to more than 80 lawmakers. But critics are fed up the group hasn't put forward legislation of its own to address climate change, while arguing it's allowed Republicans to use their membership as evidence of their moderation on environmental issues.

"I've been pleased to see many of my Republican colleagues put their names down in favor of climate action, but it's time for more than just tweets and idle comments," said Rep. Mike Quigley (D-Ill.), vice chair of the Sustainable Energy & Environment Coalition, a separate Democratic group. "Every member of the Climate Solutions Caucus, both Republican and Democrat, should strongly oppose this resolution or risk the credibility of that group."

Environmental advocates made clear they're watching the vote closely, but said merely voting against the resolution wouldn't be enough to earn their support in the midterm elections this fall. The League of Conservation Voters' political arm has already endorsed Democratic opponents of Republican Climate Solutions Caucus members such as Mia Love and Barbara Comstock. Green groups including LCV, the Natural Resources Defense Council and Sierra Club [wrote to lawmakers](#) Wednesday urging opposition to the resolution.

"While voting right on this resolution is not sufficient, it's obviously an important step," Tiernan Sittenfeld, the senior vice president of government affairs for the League of Conservation Voters, told POLITICO. "There are some of the members of the Climate Solutions Caucus who appear to have done it for greenwashing purposes."

Scalise's resolution is supported by the Koch brothers' business and political network. [Koch Companies Public Sector](#) and a [coalition of conservative groups](#) including Americans for Prosperity and the Club for Growth sent letters to Congress this week urging its support. Koch Industries PAC donated \$85,000 to a Scalise joint fundraising committee in March, according to Federal Election Commission records.

"Whip Scalise represents Southeast Louisiana, a region instrumental in American energy production critical to both the local and national economy," a spokeswoman for Scalise said. "He has been supportive of American energy growth for the entirety of his career, back to his days in the Louisiana statehouse."

Scalise has previously accused "[radical environmentalists](#)" of using the concept of global warming "prop up wave after wave of job-killing regulations" and [expressed doubts](#) people could enact any policies to combat rising seas.

Both environmentalists and conservative groups expect a handful of Republicans to vote against Scalise's resolution, including Curbelo and a few other members of the caucus. Groups on both sides of the debate said they do not have immediate plans to run political ads based on the voting, though they could in the future.

"We expect to be pretty straightforward as it has been in the past," Tom Pyle, a former Koch lobbyist who now heads the American Energy Alliance, told POLITICO. "If there are some losses, I think you'll see it from a couple or few of the members who lost their primary ... My attitude on all these things is let's have lots and lots of votes."

A carbon tax's effect on the economy depends heavily on how it would be implemented, according to [research](#) released this week by Columbia University, the Rhodium Group and others analyzing various possible policy designs. For every \$1 tax increase on a ton of carbon, the price of gasoline would rise by about a penny, the researchers found. By 2030, Americans would spend more per year on energy under all scenarios they studied, but in every case, energy spending would remain "below the per capita expenditure levels at the height of the global commodity boom in 2008."

The House last voted on a very similar resolution, [H. Con. Res. 89 \(114\)](#), in June 2016 where all Republicans, including Curbelo, voted that a carbon tax is "not in the best interest" of the U.S. Six Democrats, including current Reps. Kyrsten Sinema (Ariz.), Sanford Bishop (Ga.), Henry Cuellar (Texas) and Collin Peterson (Minn.), backed that resolution. Sinema is now seeking a Senate seat in Arizona. None of their offices responded to request for comment.

Curbelo said Scalise's resolution presents a "false choice" and pledged to release his own legislative proposal to address climate change "in the near future." E&E News [reported](#) the bill would replace the existing federal gasoline tax with a \$23 per ton carbon tax, adjusted 2 percent for inflation annually, that would direct 70 percent of revenues to the Highway Trust Fund.

"While I agree a carbon tax on its own would not be the best way forward and could have negative effects on the economy, there are smarter, more innovative solutions that would not only reduce carbon emissions and mitigate for the effects they have on our planet, but also grow the economy and provide opportunities for American workers and businesses at home and abroad," Curbelo said in a statement.

To view online [click here](#).

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Exclusive: Zinke linked to real estate deal with Halliburton chairman [Back](#)

WHITEFISH, Mont. — A foundation established by Interior Secretary Ryan Zinke and headed by his wife is playing a key role in a real-estate deal backed by the chairman of Halliburton, the oil-services giant that stands to benefit from any of the Interior Department's decisions to open public lands for oil exploration or change standards for drilling.

A group funded by David Lesar, the Halliburton chairman, is planning a large commercial development on a former industrial site near the center of the Zinkes' hometown of Whitefish, a resort area that has grown increasingly popular with wealthy tourists. The development would include a hotel and retail shops. There also would be a microbrewery — a business first proposed in 2012 by Ryan Zinke and for which he lobbied town officials for half a decade.

The Whitefish city planner, David Taylor, said in an interview that the project's developer suggested to him that the microbrewery would be set aside for Ryan and Lola Zinke to own and operate, though the developer told POLITICO that no final decisions have been made.

Meanwhile, a foundation created by Ryan Zinke is providing crucial assistance. Lola Zinke pledged in writing to allow the Lesar-backed developer to build a parking lot for the project on land that was donated to the foundation to create a Veterans Peace Park for citizens of Whitefish. The 14-acre plot, which has not been significantly developed as a park, is still owned by the foundation. Lola Zinke is its president, a role her husband gave up when he became interior secretary.

The Zinkes stand to benefit from the project in another way: They own land on the other side of the development, and have long sparred with neighbors about their various plans for it. If the new hotel, retail stores and microbrewery go through, real estate agents say, the Zinke-owned land next door would stand to increase substantially in value.

Lesar, who also served as Halliburton's chief executive until last year, is providing money to back the hotel and retail development, according to business records and officials at Whitefish city government and Halliburton. He also has a longstanding relationship with the Zinkes. In 2014, he and his wife, Sheryl, gave \$10,400, the maximum allowed by law, to Zinke's first House campaign. His only other federal contributions that year were to Halliburton's PAC and the campaign of Rep. Liz Cheney, whose father, Dick, ran the company before becoming George W. Bush's vice president.

Ryan Zinke did not respond to a list of specific questions but said in a statement that he "resigned as president and board member" of the foundation "upon becoming secretary."

The foundation's 2018 annual report to the state of Montana, however, lists Ryan Zinke as an officer, with Lola Zinke as president and their daughter as treasurer. Zinke said the report was in error and he would seek to amend it.

In his statement, Zinke declared: "The mission remains to provide a children's sledding park and community open space in a setting that recognizes the contributions of the railroad and the veterans to the community. ... The subject LLC you mention has been in contact with Lola with the intent of expanding their parking requirements on park property. I understand a concept was provided but no formal proposal or documents have been submitted or agreed upon. I also understand by reading the paper is their proposal is supported by the City Council."

He did not respond to questions about the microbrewery, the involvement of Lesar or Lesar's status as chairman of Halliburton.

Lola Zinke did not respond to questions left on her Facebook page or messages left at the family's Montana home. Neither Jennifer Detlefsen, the Zinkes' daughter and the foundation's treasurer, nor the foundation's law firm of Frampton Purdy Law, responded to questions.

In Whitefish, the plan to use land that was donated to the Zinkes' foundation as a public park to further a private development strikes residents as a surprise.

"I've never been clear exactly what his intentions are for the place," said Steve Thompson, who lives near the park and supported Zinke early in his career but has since grown disillusioned with him. He described the current state of the land as "sort of a big puddle, a mudhole puddle."

The involvement of the interior secretary's family in a multimillion-dollar project funded by the chairman of an energy-services giant — revealed here for the first time — is rife with conflicts of interest, ethics experts say, especially since Zinke's job as interior secretary makes him the custodian of more than 500 million acres of public land and head of a department that sets technical and safety standards for pipelines and drilling.

Halliburton is the largest American oil-services company, drilling wells and building rigs. It stands to benefit from any new oil and gas exploration on public land or offshore — something the Trump administration has promised to promote — and the company has frequent dealings with the Interior Department in its regulatory capacity.

For example, federal disclosures show that Halliburton's in-house lobbyist met repeatedly with Interior officials to discuss the department's policies on hydraulic fracturing, the oil extraction procedure that some studies have linked to groundwater contamination and earthquakes. Under Zinke, the department last year rescinded Obama-era rules that restricted fracking on federal land, a decision that directly benefited Halliburton, one of the world's leading fracking companies.

Marilyn Glynn, who was acting director of the Office of Government Ethics under former President George W. Bush, said the foundation's involvement in a deal backed by the chairman of Halliburton is clearly inappropriate and, at minimum, should force Zinke to recuse himself from any policy decisions affecting Halliburton.

"That Halliburton's chairman would almost be a business partner of Zinke or his wife, he would have to recuse himself from anything involving Halliburton," said Glynn, adding that the relationship clearly crosses ethical lines.

She suggested the Trump administration should set a higher ethical standard.

"In a previous administration, whether Bush or Obama, you'd never run across something like this," she said. "Nobody would be engaging in business deals" with executives whose companies they regulate.

Amy Myers Jaffe, a longtime energy analyst now working at the Council on Foreign Relations, said the Interior Department, in setting specifications for rig equipment and how much methane can leak from pipelines, has the power to make Halliburton's business more or less profitable.

"They spend a tremendous amount on R&D to comply" with government regulations, Jaffe said of oil-service companies. "You wouldn't want Interior to change specifications and make that equipment no longer commercially viable."

She added that Zinke's conflicts could extend to investigations of accidents involving Halliburton's equipment.

"One thing that is most concerning is if Interior would be called upon to investigate the procedures of a service company offshore" in case of an accident, said Jaffe. "A tight relationship [between the interior secretary and the company] would be problematic."

Executive branch officials such as Zinke are subject to conflict-of-interest rules requiring that they recuse themselves from government decisions involving people with whom they or their close relatives have a financial relationship.

Craig Holman, a specialist in federal ethics laws for the advocacy group Public Citizen, said Lola Zinke's efforts to help the development backed by Lesar would amount to a financial relationship.

"Entering this type of business relationship could very clearly open the doors [of government] to business interests that have stakes before the office holder," Holman said. "Clearly, any substantial development project next to the vacant lot owned by Zinke's foundation would significantly boost the value of the lot. The conflict-of-interest statute would be invoked if even the nonprofit on which Zinke or his spouse serves as an officer, as either paid or unpaid officers, derives a financial benefit."

After 23 years as a Navy SEAL, Ryan Zinke retired from the military in 2008 and returned to Whitefish, the mountain city of roughly 6,000 people where he grew up and where his father and grandfather ran a plumbing business.

It was, however, a changed community, increasingly popular with tourists and second homeowners for its pristine isolation and proximity to Glacier National Park.

A city that began as a stopping place for freight trains carrying lumber from the state's thriving timber industry was fast becoming an upscale resort. In 2009, the year after Zinke's retirement, about 17 percent of households were making more than \$100,000 a year, according to the U.S. Census Bureau. By 2016, 23 percent of Whitefish households were making that much, adjusted for inflation.

Whitefish is a particular magnet for California tech entrepreneurs and oil barons from Canada and Texas who have built homes valued at more than \$1 million each. Lesar is one of them. He currently has a home behind a gate on a private road looping up one of the nearby mountains.

As the then 46-year-old Zinke planned his future, he began laying the groundwork for business and political careers more or less simultaneously, and sometimes on parallel tracks. Launching a nonprofit foundation to build a park in Whitefish was one of the first things he did to reintroduce himself to the community, which helped bolster his credentials for office.

The foundation's first big donation was from BNSF Railway, the nation's largest freight railroad, with more than 32,500 miles of track. The railway is one of the state's biggest landowners, with extensive business before the state government.

Zinke proudly announced that the donated land would be used for what he dubbed "the Great Northern Veterans Peace Park." In announcing the gift, he touted his own career in uniform and described the park as a gift to Whitefish. His intent was to combine the railway land and an adjacent city-owned hill into "a children's winter sledding park in a setting that recognizes the contributions of the veterans and the railroad to the local community," according to the nonprofit's publicly available IRS forms.

"The theme of this park is to celebrate life — why veterans fight," Zinke told a local newspaper in February 2008.

That same year, he filed paperwork to run for the state Senate.

He won the race and, shortly after taking office, cast the deciding committee vote on a bill that strongly benefited BNSF. The bill would have pumped millions of taxpayer dollars into railroad construction through a publicly funded Montana Rail Authority.

Jeff Mangan, Montana's commissioner of political practices, said the vote, coming so soon after Zinke accepted a donation of land from the railway, would have violated the Legislature's code of conduct if he did not disclose the relationship. "If there's an appearance of conflict of interest, they have a duty to disclose that conflict before a vote," Mangan said. But enforcement of that requirement can be "fairly laid back," he said.

There is no record of Zinke making a formal disclosure of his relationship with BNSF before the vote, and Zinke did not respond to questions on the matter.

Ultimately, then-Gov. Brian Schweitzer vetoed the legislation for the Montana Rail Authority, saying he was concerned "that public money will be targeted to build infrastructure that should be rightly financed by the private sector."

BNSF continued to donate more land to the Veterans Peace Park with adjoining parcels being given to Zinke's foundation in 2010 and 2013.

BNSF spokesman Ross Lane said in an interview, "We would firmly reject that there is any quid pro quo on the donations" for the Veterans Peace Park.

The land remains mostly in a natural state, and is only lightly utilized, except when local children use it for sledding, as they had before Zinke's foundation acquired the land. On a recent spring day, the only inhabitants were a pair of Bufflehead ducks sharing a retaining pond that dominates the property with a discarded inner tube.

Nonetheless, even in an undeveloped state, the land is now valued at more than \$500,000, according to the group's 2016 tax returns, the most recent publicly available. The tax returns also show monetary gifts to the foundation, which increased as Zinke's political career advanced.

In 2012, when Zinke launched an unsuccessful bid for lieutenant governor, the foundation took in \$30,000, according to tax records. In 2014, when Zinke ran for the House, the foundation again received \$30,000 in contributions and saw its cash holdings grow from \$118 to \$23,743

over the course of the year. The foundation raised \$36,000 in 2015, before seeing its contributions fall to \$5,000 the following year, the last before he became interior secretary.

The Zinkes reported that they gave the foundation \$10,000 in 2012, but the source of the rest of the contributions is undisclosed. That lack of transparency is a common concern when politicians control their own charities, said Melanie Sloan, a senior adviser at government ethics watchdog group American Oversight.

"The main concern is it's another way for donors and corporations to curry favor with politicians," Sloan said. "If he's doing something to benefit those making donations, it's invisible to us. It undermines the whole interest of transparency."

Even as the park continued to lie fallow, Ryan and Lola Zinke turned their attention to pieces of land that they own through various LLCs. In December 2012, while Ryan was preparing to leave the state Senate, the Zinkes announced that they wanted to turn his childhood home into a B&B called the Snowfrog Inn, and also to build a microbrewery on their development land across the street. They planned to call the brewery "Double Tap," which is a Navy SEAL term for two gunshots.

Both proposals required public approvals, which put Zinke — one of the state's rising political stars — in a position of arguing before local politicians. He was steadfast in calling for more commercial development in the face of neighbors' complaints about traffic and noise.

The City Council appointed Zinke to a special steering committee of local residents to explore ways to develop the area where the Zinkes' land was located. The committee included 13 residents of Whitefish, just two of whom lived in the neighborhood, Zinke and one other.

The committee recommended opening the area for greater commercial development. The City Council and mayor endorsed the plan.

While the larger planning process was playing out, Zinke won approval in 2013 for the B&B without a microbrewery across the street, as he had initially proposed. The Snowfrog Inn website states that it is still under construction.

By 2015, Zinke was back before the City Council, this time in his first term as Montana's sole representative in the U.S. House, arguing passionately for the committee plan to expand development, according to a video of the meeting. He cited his microbrewery proposal as the impetus for the changes to the planning process.

"In regards to a brewery, I've asked for a brewery because that's what started this whole process," Zinke declared at a contentious May 4, 2015, council meeting, referring to the changes to the city's planning rules that he had helped orchestrate.

Neighborhood activists continued to raise objections, insisting that Zinke had done little in the 29 months since announcing his microbrewery proposal to assuage their concerns about noise and traffic. But Zinke told them they were outnumbered.

"The same people are going to be against it tomorrow as was at the beginning, but most of the strong majority of the steering committee, which represented every bit of the neighborhoods ... all came to the same conclusion, that this [planning change] should stand," Zinke said, according to a video of the meeting.

The changes to the planning process did not lead to approval of the microbrewery on the Zinkes' own development parcel, but they opened the doors to a new proposal for a multiuse development on a much larger plot — a former timber-company lot — between the Zinkes' land and the veterans' peace park that they controlled.

The project, known as 95 Karrow, named for the avenue on which the land sits, was launched in September of last year. Two days after the partnership backing the development was established, Lola Zinke, in her capacity as president of the foundation controlling the peace park, signed an official letter of intent to allow the construction of a parking lot for customers of the microbrewery and other businesses on the parkland, which the developers included in their proposal. The letter said the specific terms of the agreement would be worked out by the parties.

Taylor, the Whitefish city planner, told POLITICO that the developers "certainly implied that they were working with [Zinke] to find a place for his microbrewery as well as a shared use agreement for parking on the peace park."

At least two project maps submitted to the city mark off space specifically for a microbrewery adjacent to the parking lot. The letter Lola Zinke signed and submitted to Whitefish City Council states "it is the intent of the GNVPP Foundation to concur with the general design of the parking, micro-brewery, multiple use path, fence and other supporting elements" of the redevelopment project. Attached to that letter is a map with a handwritten notation indicating a "border adjustment" that would appear to carve out the microbrewery site from the rest of the property.

The parking lot is also meant to serve the park if the foundation ever does anything with the rest of the 14-acre parcel it owns.

The developers of the hotel, microbrewery and retail shops are a partnership known as 95 Karrow LLC, which itself is controlled by two individuals and three other entities, according to business registration records filed with Montana's secretary of state. The two individuals are John and Katie Lesar, who are the son and daughter-in-law of Halliburton's chairman, according to a biography his wife, Sheryl, wrote for a local nonprofit, where she serves as a board member.

Two of the other entities, BADF LLC and KCM Enterprises Inc., are linked to Bruce Boody, a local architect who worked with the Zinkes on their B&B proposal, and a local developer named Casey Malmquist, according to Montana business records. The third, Greenstream Resources LLC, lists a Texas address but does not disclose any owners in records filed there. However, the P.O. Box it uses matches the address of another business, First Floor Properties LLC, that lists David Lesar as its "general partner" and other family members among its management.

Both Malmquist and a Halliburton official confirmed that David Lesar is a member of the Greenstream Resources LLC, which is expected to provide a significant portion of the financing for the 95 Karrow project.

Halliburton spokeswoman Emily Mir said the company had no comment on Lesar's involvement in the project, calling it a private investment that Lesar was making outside his role in the company.

Malmquist, who is leading the development project, said that talk of Zinke owning a brewery on the site was premature, as no final decisions have been made on what type of businesses the redevelopment will contain.

"If and when we get to that point, Ryan Zinke, or anyone else that is interested, can purchase a parcel of property, properly located on the development by use and per zoning, and develop a project that is permitted from the standpoint of zoning designations that determine the permitted uses on the development parcel, as well as following the [covenants, conditions, and restrictions] that are yet to be developed for the property," Malmquist said in an email.

The Zinkes' mixing of their nonprofit role as stewards of the Great Northern Veterans Peace Park Foundation with their role as landowner and developer echoes other ethical concerns raised about the couple.

In 2012, Ryan Zinke formed a super PAC called Special Operations for America, through which he raised money from donors to attack then-President Barack Obama's reelection campaign for taking credit for the death of Osama bin Laden. Over the following year, the group paid nearly \$40,000 to an LLC established by Ryan and Lola Zinke called Continental Divide International for "strategy consulting" and "fundraising consulting" and to reimburse travel expenses.

Only \$7,000 of the more than \$180,000 the group raised in 2012 went to efforts to influence the election, according to the group's FEC filings.

The super PAC was Zinke's foray into a world of political fundraising that would carry through to his time in the Trump administration. Less than a month after being sworn in as interior secretary, he appeared at a fundraiser in the Virgin Islands for another PAC that has been criticized for spending vastly more on administrative expenses than on campaign activities.

The Virgin Islands GOP PAC has raised \$5.7 million since its inception in February 2015. It has spent \$76,000 — just 1.3 percent — on congressional candidates, including \$3,500 to Zinke's campaign and SEAL PAC, a subsequent group he launched after his election to the House.

Meanwhile, two of Zinke's top aides at Interior, chief of staff Scott Homell and counselor Vincent DeVito, were previously on the payrolls of Special Operations for America and SEAL PAC, respectively.

Earlier this year, the Interior Department's internal watchdog criticized Zinke for obscuring his personal interest in some ostensibly official duties — an incident that involved another Whitefish resident, Fidelity National Financial Chairman Bill Foley, who was one of Zinke's biggest political donors.

Zinke charged taxpayers more than \$12,000 last June for a late-night charter flight from Las Vegas, where he had spoken to a National Hockey League team Foley owns, to Whitefish for meetings at the Western Governors Association that were being held there the following day.

Speaking to the Las Vegas Golden Knights was a favor to a friend and donor. He "first mentioned during his initial ethics briefing in March 2017 that he wanted to speak to a friend's hockey team," according to a report from the IG. He did not mention any specific aspects of his job as interior secretary during the speech, which focused on his time as a Navy SEAL. After Zinke and his staff made plans for the speech, the Interior Department started to schedule an event for him to announce Payment In Lieu of Taxation grants, routine business that is typically handled with a news release.

The IG's investigation found that the charter flight could have been avoided with better scheduling, and that Zinke's prior relationship with Foley should have been disclosed in advance to ethics officials who had reviewed the trip.

Foley, a West Point graduate who grew up in the Texas panhandle, has been a major presence in Whitefish since buying a home there in 2005. That same year, he purchased a majority share in Winter Sports, the company that runs the Whitefish Mountain Resort in the town. He soon bought Glacier Jet Center, a private airport about 20 minutes outside the city.

Foley's development projects, like David Lesar's and the Zinkes', are signs of just how far Whitefish has come since Zinke's childhood. The Pastime Pool Hall and Bar, which Zinke fondly remembered in his autobiography as where his grandfather used to socialize, has been renamed "The Bulldog," although not much else about it has changed. But the city also boasts a crepiere, an artisanal olive oil shop and a camping store that sells "overnight yurts." A new yoga studio stands about a minute's walk down the block from Zinke's boyhood home.

"It's gone from a dirty ski town to pretty bougie," said Cale Knox, a Whitefish native and employee at the Red Caboose coffee shop downtown. In a sign of the times, tech venture capitalist Michael Goguen recently bought the Red Caboose, and there is rumor that it will become a wine bar.

Only a mile away is the open land that Zinke dubbed his Veterans Peace Park. Ten years after the railroad donated the first piece of land, locals are as flummoxed as ever about what will happen to it. The situation has left some residents worried that what was pitched as an attempt to provide a green space dedicated to children and veterans was instead used to build Zinke's political profile.

"It was something to put on his résumé," Whitefish City Council member Richard Hildner said of the park during a visit there. "Now, it just sits here."

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Interior watchdog opens probe of land deal linking Zinke, Halliburton chairman [Back](#)

By Ben Lefebvre | 07/18/2018 06:05 PM EDT

The Interior Department's internal watchdog has launched a full investigation into a real estate deal involving a foundation established by Secretary Ryan Zinke and developers including Halliburton Chairman David Lesar, which was first reported by POLITICO last month, according to a letter the office sent to House Democrats on Wednesday.

The inspector general's probe will focus on whether Zinke violated conflict of interest laws, the latest official inquiry of Zinke's activities in his 16 months helming the department.

"You expressed special concern about the reported funding by a top executive at Halliburton and assuring decisions that affect the nation's welfare are not compromised by individual self enrichment," Deputy Inspector General Mary Kendall wrote to Rep. Raúl Grijalva (D-Ariz.),

ranking member of the House Natural Resources Committee, and other Democrats. "My office opened an investigation into this matter on July 16."

Zinke's role at Interior places him as one of the chief regulators overseeing oil and gas drilling activities, including those performed by Halliburton, one of the world's largest fracking and offshore drilling services companies. Zinke late last month defended his involvement with Lesar, while confirming he met him and other developers at Interior Department headquarters in August. Zinke said he had resigned from the Great Northern Veterans Peace Park Foundation, which he established a decade ago to build a park in his hometown of Whitefish, Mont., but briefed the developers on the foundation's background and the land it controls.

In September, the secretary's wife, Lola Zinke, signed an agreement allowing developers, including Lesar, to build a parking lot there to benefit a major redevelopment project that could raise the land value of Zinke's nearby properties. Project developers also suggested Zinke could wind up running a microbrewery on the redevelopment site, the Whitefish city planner has told POLITICO.

House Democrats say Zinke's meeting with Lesar and the foundation's role in the real estate deal raises the question of whether Zinke used his office for personal gain.

"Secretary Zinke doesn't seem to take his responsibility to the public seriously," Grijalva told POLITICO in a statement. "He's turned it into the Ryan Zinke show, which is more about waving his own flag above the building and doing personal business deals with his friends instead of protecting public lands and improving our environmental quality. This formal investigation is one of many he's managed to pile up in his short and undistinguished tenure, and I join my Democratic colleagues in seeking the transparency and accountability that Republicans have so far not provided."

The arrangement suggests that the Halliburton chairman would be building a long-sought business for the Interior secretary, ethics experts say, a relationship that is fraught with conflicts of interest.

Critics say it is inappropriate for Zinke or his family to be involved in any outside deals with the Halliburton chairman because of the sway he holds over the company's business.

"There is no company that benefits more from Secretary Zinke's attack on fracking standards than Halliburton, and there is no company that has been more successful over the years in getting politicians — from Vice President Dick Cheney to Secretary Zinke — to weaken government oversight of their fracking operations," said Matt Lee-Ashley, a senior fellow at the Center for American Progress who worked as deputy chief of staff at Interior during the Obama administration.

Following POLITICO's reporting on the agreement, House Democrats asked for an investigation into potential conflicts of interest stemming from the deal linking the secretary's family with the chairman of one of the biggest companies he is responsible for regulating. It may take several months for investigators to complete their work and issue a report on their findings.

The foundation's land remains little changed from when it was first donated by BNSF Railway starting in 2008, leading some locals to question Zinke's plan for the park. Zinke in the past had promised local officials that the foundation would use the land to build a park honoring veterans and for possible summer concerts. But the land remains mostly undeveloped, and a large retaining pond dominates the site.

Government watchdogs have completed several investigations into Zinke and others are ongoing, such as an IG review of lobbying over an unorthodox tribal gaming decision.

The IG's office reviewed Zinke's use of chartered flights and found that while the department did not violate any laws, ethics officials were prevented from conducting a thorough review of one trip because Zinke did not disclose the role a major donor played in his plans. The Office of Special Counsel has separately concluded that Zinke's speech to the donor's hockey team and participation in fundraisers in the Virgin Islands and elsewhere did not violate the Hatch Act.

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House won't give more funding to Interior watchdog [Back](#)

By Anthony Adragna | 07/18/2018 04:33 PM EDT

The House today shot down a bid by House Natural Resources Ranking Member Raúl Grijalva (D-Ariz.) to boost the budget of the Interior Department's inspector general by \$2.5 million.

Grijalva's amendment failed 190-223, mostly along party lines.

"Secretary Zinke is already the most scandal-plagued Interior secretary in recent memory, and House Republicans just voted against holding him accountable," Grijalva said following the vote. "They're comfortable passing a trillion-dollar tax cut for the rich but won't spend two-and-a-half million dollars on a watchdog agency that protects the public and saves taxpayers money."

In addition, lawmakers rejected an amendment to the Interior and Environment title on the minibus, H.R. 6147 (115), from Rep. Andy Biggs (R-Ariz.) that would have transferred several millions from a Land and Water Conservation Fund account to address the national park maintenance backlog.

Amendments from Rep. Alma Adams (D-N.C.) stressing environmental justice funding and from Rep. Glenn Grothman (R-Wis.) attempting to slash funding for the National Endowment on the Arts and the Humanities were also defeated.

The House passed one from Rep. Tom O'Halleran (D-Ariz.) transferring \$3 million to the Office of Navajo and Hopi Indian Relocation.

The chamber rejected by voice vote a Democratic effort last night to remove language from the bill repealing the Obama-era waters of the U.S. regulation.

WHAT'S NEXT: Additional votes on amendments to the minibus are expected later tonight.

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Formaldehyde fears complicated search for Pruitt's desk, emails show [Back](#)

By Annie Snider | 07/19/2018 05:02 AM EDT

EPA Administrator Scott Pruitt's staff sought to protect him from exposure to toxic formaldehyde from an office desk last year, emails show — just months before his top political aides blocked the release of a report on health dangers from the same chemical.

In the spring of 2017, as Pruitt was finishing the more than \$9,500 redecoration of his office, a top career official in the administrator's office noticed a California warning that one of the ornate desks their boss wanted contained formaldehyde, which the state classifies as a carcinogen. It's unclear whether Pruitt ultimately ordered that desk as part of the renovation — which included artwork from the Smithsonian, framed photographs of Pruitt and President Donald Trump and a standing "captain's" desk — but the documents show that his staff took steps to protect Pruitt from exposure to the chemical.

After seeing the warning, acting deputy chief of staff Reginald Allen reached out to the Wendy Cleland-Hamnett, the career official then serving as the acting head of EPA's toxic chemicals office, according to emails released to the group American Oversight under the Freedom of Information Act and shared with POLITICO.

"Sorry to bother you with this but we need some help. The desk the Administrator wants for his office from Amazon has a California Proposition 65 warning. What I am asking is can someone in your area tell us whether it is OK to get this desk for the Administrator related to the warning?" Allen wrote April 7 to Cleland-Hamnett and another career official in the office, referring to a California state chemicals law.

Cleland-Hamnett replied explaining that the desk was likely made of compressed wood in which formaldehyde is frequently used as a glue. Although an EPA regulation limiting formaldehyde emissions from such products had been put on hold by the Trump administration, the state of California regulates formaldehyde in such products, meaning the air emissions from the desk were "likely to be fine," Cleland-Hamnett wrote.

However, she suggested letting the desk sit somewhere other than the administrator's office to air out for a few days. Administrative personnel appeared to make plans to have the desk assembled at a warehouse and left there for a week, when the highest concentrations of formaldehyde are usually emitted.

The email exchange about the desk last spring took place just months before top aides to Pruitt took steps to block a health assessment produced by another division within the agency that found the levels of formaldehyde that many Americans breathe in daily are linked with leukemia, nose-and-throat cancer and other ailments. The chemicals industry has fought the assessment, which could prompt federal and state regulators to issue new restrictions on the chemical, and could lead to class-action lawsuits.

POLITICO reported last month that Pruitt aides, including Chief of Staff Ryan Jackson, and Richard Yamada, a top official in the agency's Office of Research and Development, blocked the report from going through necessary internal review steps, effectively preventing it from being made public.

Austin Evers, executive director of American Oversight, the watchdog group that obtained the emails, said the emails fit into the pattern of perk-seeking that led to Pruitt's downfall.

"You can add 'EPA chemical safety science' to the list of taxpayer funded benefits that Scott Pruitt kept for himself. The irony would be comical if this wasn't so dangerous. Months before Scott Pruitt blocked the EPA's report on the dangers of formaldehyde to public health, he got the benefit of EPA's safety experts looking out for his own health," Evers said in a statement.

Cleland-Hamnett retired last year. Allen, who had objected to other spending and travel by Pruitt, was reassigned to a job outside the agency this spring, [E&E News reported](#) at the time.

Emily Holden contributed to this report.

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Sources: EPA blocks warnings on cancer-causing chemical [Back](#)

By Annie Snider | 07/06/2018 05:07 AM EDT

The Trump administration is suppressing an Environmental Protection Agency report that warns that most Americans inhale enough formaldehyde vapor in the course of daily life to put them at risk of developing leukemia and other ailments, a current and a former agency official told POLITICO.

The warnings are contained in a draft health assessment EPA scientists completed just before Donald Trump became president, according to the officials. They said top advisers to departing Administrator Scott Pruitt are delaying its release as part of a campaign to undermine the agency's independent research into the health risks of toxic chemicals.

Andrew Wheeler, the No. 2 official at EPA who will be the agency's new acting chief as of Monday, also has a history with the chemical. He was staff director for the Senate Environment and Public Works Committee in 2004, when his boss, then-Chairman Jim Inhofe (R-Okla.), sought to delay an earlier iteration of the formaldehyde assessment.

Formaldehyde is one of the most commonly used chemicals in the country. Americans are exposed to it through wood composites in cabinets and furniture, as well as air pollution from major refineries. The new assessment would give greater weight to warnings about the chemical's risks and could lead to stricter regulations from the EPA or class-action lawsuits targeting its manufacturers, as frequently occurs after these types of studies are released.

"They're stonewalling every step of the way," the current official said, accusing political appointees of interfering with the formaldehyde assessment and other reports on toxic chemicals produced by EPA's Integrated Risk Information System. Industry has long faulted the IRIS program, the agency's only independent scientific division evaluating the health risks of toxic chemicals, whose assessments often form the basis for federal and state regulations.

The current official and former official requested anonymity out of fear for their jobs and the impact that speaking out could have on the IRIS program.

Interfering with the formaldehyde study is one of several steps Trump's EPA has taken to side with the businesses the agency is supposed to regulate and undermine the agency's approach to science, critics say. Public health advocates also expressed alarm after Pruitt replaced academic scientists with industry advocates on the agency's influential science advisory boards and sought to limit the types of human health research the EPA can rely on in rulemakings.

The officials said Trump appointees have required that career officials receive their permission before beginning the required internal review of the formaldehyde study and have canceled key briefings that would have advanced it. That interference came after EPA career scientists revised the study once already last year to insulate it from political controversy, they said.

In a statement, EPA denied that the assessment was being held back.

"EPA continues to discuss this assessment with our agency program partners and have no further updates to provide at this time," EPA spokeswoman Kelsi Daniell said. "Assessments of this type are often the result of needs for particular rulemakings and undergo an extensive intra-agency and interagency process."

But as long ago as January, Pruitt told a Senate panel that he believed the draft assessment was complete.

Five months later, it has yet to see the light of day. Meanwhile, internal documents show, a trade group representing businesses that could face new regulations and lawsuits if the study were released had frequent access to top EPA officials and pressed them to either keep it under wraps or change its findings.

"As stated in our meeting, a premature release of a draft assessment ... will cause irreparable harm to the companies represented by the Panel and to the many companies and jobs that depend on the broad use of the chemical," Kimberly Wise White, who leads the American Chemistry Council's Formaldehyde Panel, wrote in a Jan. 26 letter to top officials at the EPA. The panel represents companies including the Koch Industries subsidiary Georgia-Pacific Chemicals LLC that could face higher costs from stricter regulations or lawsuits.

Nearly a million jobs "depend on the use of formaldehyde," White's letter argued.

The holdup is attracting attention on Capitol Hill, where Democrats have already expressed alarm, arguing that the Trump administration has allowed politics to interfere in EPA's scientific assessments of threats such as toxic pollution and climate change.

The agency must "move past politics and focus on its job of protecting human health" by releasing the formaldehyde study, Sen. Ed Markey (D-Mass.) said in a statement to POLITICO.

"Because formaldehyde can be found in everything from wood products to women's hair straighteners, the public health risks are substantial," Markey said. "Delaying the EPA's latest assessment of the health risks of formaldehyde only further endangers the health of Americans."

Public health advocates have similarly expressed fears that the Trump administration has allowed EPA to be captured by the industries it regulates. The revelations about the formaldehyde study come after Pruitt removed academic scientists from the agency's influential science advisory boards and in many cases replaced them with industry advocates, and after he proposed a policy to limit the agency's use of human health data while offering a carve-out for confidential industry studies.

"At every corner, you see the agency trying to either minimize the role of science or manipulate the role of science or just ignore the work of scientists in doing the critical work to ensure that human health and the environment is protected," said Jennifer McPartland, a senior scientist with the Environmental Defense Fund's health program.

POLITICO also reported in May that Trump administration officials, including EPA chief of staff Ryan Jackson, sought to delay an HHS study finding that nonstick chemicals pose health dangers at a lower level than EPA has said is safe.

Insiders anticipate few major policy changes under Wheeler, who is widely expected to continue Pruitt's deregulatory agenda and is well-versed in chemicals issues. He began his career in EPA's chemical safety office, and after leaving Inhofe's staff lobbied for several chemicals companies, including Celanese Corp., a major formaldehyde manufacturer and ICOR International, a refrigerants manufacturer that was recently acquired by Chemours Co., a DuPont spin-off. A Celanese spokesman said Wheeler worked only on the Renewable Fuels Standard for the company, although Wheeler's disclosure forms describe his lobbying as being on the broad topic of "chemicals issues." Wheeler is not barred from working on chemicals issues under the recusal statement he signed in May.

Decades' of research has linked formaldehyde to nose and throat cancer and respiratory problems, and newer research has suggested the connection to leukemia — controversial conclusions that would gain significant credence if EPA formally adopts them. The new assessment affirms those links to leukemia, nose and throat cancer and other ailments, according to the current and former officials familiar with its findings.

The new assessment could lead the EPA to impose stricter regulations of chemicals refineries or wood products and could spur class-action lawsuits from cancer patients attempting to hold companies responsible for their illnesses.

The agency officials said the political aides blocking the assessment include Jackson and Richard Yamada, a former staffer for House Science Chairman Lamar Smith (R-Texas) who is now a top official in EPA's Office of Research and Development. And they said Nancy Beck, who criticized the IRIS program in her previous job as a top chemical industry expert, is now helping to stymie the program's assessments in her new post as head of EPA's chemical safety office. Jackson, Yamada and Beck did not respond to requests for comment.

The EPA spokeswoman disputed the accusations and said Yamada and Jackson have, in fact, requested briefings on the assessment.

The current EPA official told POLITICO that political appointees have managed to avoid creating written evidence of their interference with the formaldehyde assessment by refusing to send emails or create other records that eventually could become public, instead using what the official described as "a children's game of telephone."

By blocking the report at the first step of the IRIS review process, political appointees are keeping it from being reviewed by the National Academies of Sciences, an independent panel of the country's top scientists that must weigh in on all such risk assessments. EPA has already paid the academies \$500,000 for that review, the highest level of scrutiny a scientific study can receive, but the work cannot start until Pruitt's aides send the study.

"If the administration was really keen on protecting public health, why wouldn't they send this to the National Academy and give it a really good review?" the former EPA official asked. "If it

survives that review, then there's a public health problem that needs to be dealt with, and if it doesn't survive the review, then they can point the finger at IRIS and say, 'You're dead.'"

The former official said there would be only one reason not to ask the country's top experts whether they agree with the analysis: "You don't want the answer."

Public health advocates say the administration's attacks on science have had especially significant implications for the IRIS program. The small office of about 35 experts pores over the huge body of existing research on chemicals, including industry-backed studies aimed at proving the substances safe, to independently assess their risks. While purely scientific, the program's reviews are looked to by regulators not just at EPA, but also in the states and around the world, often paving the way for new or more stringent regulations.

But industry has long targeted the program, arguing it uses an opaque process to decide which studies to rely on and which research to give credence to when findings conflict.

The American Chemistry Council, Beck's former employer, spent more than \$7 million last year lobbying EPA and Congress on issues including IRIS, formaldehyde and the policy to limit EPA's use of human health research. Chemicals manufacturers, including Hexion, one of the country's largest manufacturers of formaldehyde, have also spent tens of thousands of dollars on lobbying related to the program this year.

A National Academies panel agreed with some of industry's criticisms of the IRIS program in a blistering review of an earlier iteration of the formaldehyde assessment that recommended major changes to how IRIS decides how much weight to give conflicting studies, although it did not attack the substance of its findings about the health effects of formaldehyde. Critics of the IRIS program have pointed to that review frequently as they have sought to kill it, including in an appropriations battle this spring. The EPA spokeswoman also pointed to that assessment in her statement. "The National Academy of Science and Congress in legislative reports have for years been highly critical of EPA's previous assessments involving formaldehyde," she said.

But the EPA has overhauled the program since then, hiring a new director for IRIS and a new head of the National Center for Environmental Assessment, in which it is housed. The changes have received high marks from the National Academies in two more recent reviews, one in 2014 and one this past April. The latest formaldehyde assessment is expected to demonstrate further progress implementing the academies' recommendations, potentially undermining industry critiques of the overall IRIS program if it were to be released.

Although efforts to kill EPA's independent scientific arbiter have so far failed, EPA officials and public health advocates say the program has been significantly hobbled under an administration with close ties to the chemicals industry.

White, the top staffer for the American Chemistry Council's Formaldehyde Panel, wrote the EPA three times between September 2017 and January 2018, urging the agency to incorporate industry-funded research that found no link between formaldehyde and leukemia, and arguing that the studies shifted the scientific consensus away from the conclusion that it does. In November, Pruitt appointed her to the agency's influential Science Advisory Board.

Less than a week after the council's Jan. 24 meeting with EPA, Pruitt himself confirmed that the report had been complete for months. During a Senate hearing at the end of January, Markey asked Pruitt for an update on the formaldehyde assessment, saying it was his understanding "that the EPA has finalized its conclusion that formaldehyde causes leukemia and other cancers and

that [the] completed new assessment is ready to be released for public review, but is being held up."

"You know, my understanding is similar to yours," Pruitt replied, promising to follow up.

Markey reminded Pruitt of the exchange in a May 17 [letter](#). In a response Thursday, the agency's principal deputy assistant administrator for science, Jennifer Orme-Zavaleta, said EPA "continues to discuss the formaldehyde assessment internally and has no further updates to provide at this time."

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State bar association opens investigation into Pruitt emails [Back](#)

By Alex Guillén | 03/30/2017 01:53 PM EDT

The Oklahoma Bar Association has opened an investigation into EPA Administrator Scott Pruitt over his statement to Congress that he did not use his personal email address for work as the state's attorney general, an assertion his office later admitted was incorrect.

However, it remains unclear whether Pruitt will face any serious consequences.

In a [letter](#) this week, the association said it has "opened this matter for investigation" and asked Pruitt to respond to the complaint. "We will then conduct whatever further investigation we feel is needed," the association wrote. Once any investigation is completed, it will go before the bar's Professional Responsibility Commission, which will decide whether to take action.

The investigation will remain "confidential," per state rules, and is "strictly limited to the ethical and professional conduct" of Pruitt, according to the bar association.

The Center for Biological Diversity and an Oklahoma law professor filed an [ethical complaint](#) with the bar association earlier this month.

Amy Atwood, a senior CBD attorney, said she is pleased with the investigation. "Lying to Congress is a serious ethical breach, and it doesn't help that Pruitt's use of private emails reflect potential collusion with the very oil and gas industry he's now supposed to be regulating," she said in a statement.

An EPA spokesman did not immediately respond to a request for comment.

WHAT'S NEXT: Pruitt will respond formally to the inquiry, and the bar association will decide whether to investigate further.

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Oklahoma Bar Association dismisses Pruitt ethics complaint [Back](#)

By Alex Guillén | 07/18/2018 09:40 PM EDT

The Oklahoma Bar Association has dismissed an ethics complaint against former EPA Administrator Scott Pruitt, according to an attorney with the environmental group that filed the complaint.

The Center for Biological Diversity and an Oklahoma law professor requested the state bar investigation in March 2017. They complained that Pruitt told Congress under oath that he had not used personal email to conduct state business as attorney general, but that several emails contradicted Pruitt's statement.

Amy Atwood, an attorney with CBD, said she was told today by OBA that the investigation had concluded, and that a seven-member Professional Responsibility Commission had dismissed the complaint.

"We're disappointed, but it's telling that the bar association in Pruitt's home state spent almost 18 months on a major investigation into his disturbing actions," Atwood wrote in an email. "Pruitt's appalling behavior got him convicted in the court of public opinion, it's tragic that his pro-polluter policies are still in full effect at the EPA."

It was not immediately clear why the complaint was dismissed, or whether it was related to Pruitt's abrupt resignation earlier this month. Atwood said she expects to receive a formal letter from OBA on the matter.

Calls to the OBA this evening went to an after-hours voice message. Cleta Mitchell, an attorney representing Pruitt, did not immediately return a request for comment.

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Powelson: No 'subplot' to surprise FERC exit [Back](#)

By Darius Dixon | 06/28/2018 08:20 PM EDT

FERC Commissioner Rob Powelson says his surprise decision to resign after just one year at the commission had nothing to do with his frequent objections to one of the Trump administration's main energy policy goals.

The Republican former state regulator has been one of the most vocal critics of the Energy Department's efforts to rescue economically struggling coal and nuclear power plants, but he said that position was not a factor in his decision to leave the commission. In mid-August, Powelson will take over as CEO of the National Association of Water Companies. He simply jumped at a once-in-a-lifetime opportunity to take a great job that would allow him to avoid commuting to Washington from his home near Philadelphia.

There is no "subplot to this," he told POLITICO on Thursday, saying it was a decision he made with his family.

"I'm at peace. I know people want to be like, 'Argh, he got forced out! He pissed off the president or Rick Perry.' I'm free to speak my mind now more than ever. And as a Philly boy, I will let it fly," he said in a phone interview after announcing his plan to resign.

"No one came at me and said, 'You need to move on,'" he added. "You know if that would ever happen, I would never do it anyway. ... If I was done wrong, I'd tell you about it. But life is better than I deserve it to be."

Powelson's departure could also leave FERC's four remaining commissioners unable to approve new interstate natural gas pipelines over Democratic objections related to climate change or the agency's overall process for assessing the need for those projects. A former chairman of the Pennsylvania Public Utility Commission, Powelson also was one of the strongest advocates for state regulators, especially in PJM — the regional grid that would be most affected by the Trump administration's coal-boosting efforts.

Leaving in August means that Powelson will have served on the commission for just one year of a term that was scheduled to run through mid-2020, making his the shortest tenure in agency history since the 1960s, when FERC was still the Federal Power Commission. It also gives President Donald Trump an opportunity to replace Powelson with a regulator who is friendlier to his pro-coal policies.

Powelson said he didn't expect to be at FERC for such a short time, but felt he couldn't pass up the job offer, especially after the National Association of Water Companies told him it was planning to move its headquarters from Washington to Philadelphia. He has two sons, a rising seventh-grader and a rising 10th-grader, and said that his job change was in part a decision between career moves and an opportunity to be closer to family.

"I had every intention to stay longer. But honestly, I served eight and a half years on the Pennsylvania commission. I love this place. The people are great [at FERC]," he said. "But for me to say no — that opportunity is not coming around again, and I knew that. There was just too much alignment for me not to take it."

The outgoing commissioner also said that he didn't pine for the FERC chairmanship, noting that few people run a state commission as well as FERC like Texas' Pat Wood did.

"I looked at Chairman [Kevin] McIntyre's desk the other day and I don't miss the piles of paper on my desk. I'm perfectly at peace. I was honored to be a commissioner. It's a stressful job to be a chairman and you're running the agency," he said.

"I've done the chairmanship duty [in Pennsylvania] and I'm perfectly at peace with that," he said. With emphasis and a chuckle, Powelson added: "Perfectly at peace, trust me."

He said he told all the commission leadership colleagues about his plans face to face, and sent an all-hands email to FERC staff Thursday.

Powelson warned that he's excited to talk about "water resiliency" and the "water grid" in a post-Flint, Mich., world that is also looking at the energy-water nexus. The association represents water and wastewater utilities such as American Water and Aqua America, among other companies.

"Now I get to be a pain in the ass on water policy," he said.

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Enron in the rear view, California eyes expanded power markets [Back](#)

By Eric Wolff | 07/11/2018 05:03 AM EDT

The dream of the Western grid is alive in Sacramento.

In his last year in office, California Gov. Jerry Brown is trying to lay the groundwork for a power market and transmission organization that would stretch across seven states from Washington to Arizona. For Brown and a swath of environmental groups, the new organization could advance their climate change-fighting goals by driving down power prices while greening up the grid and pushing out the old coal plants that dot the West.

FERC has long advocated for the expansion of competitive power markets that it says drives down costs and increases reliability, but that argument has struggled to gain traction in the West, where Enron's market manipulation in 2000-2001 caused prices to skyrocket and led to rolling blackouts in California. Fallout from the Enron crisis helped kill an effort a year later by FERC that would have imposed a market on Western utilities. But now the idea is gaining new momentum.

Still, creating a full regional transmission organization, as Brown wants, would mean ceding at least some control of California's transmission lines to states more concerned about maintaining coal and natural gas production jobs than reducing emissions. That prospect has scrambled traditional alliances, as some environmentalists in California worry about ceding authority to more coal-friendly states such as Wyoming and Idaho. Meanwhile, utilities outside of the Golden State worry about possibly having to accommodate California's climate change policies.

A bill, [CA AB813 \(17R\)](#), moving through the state Legislature with Brown's support would let the California Independent System Operator expand its footprint across the West while giving nearby states more say over how it is governed. If it passes, CAISO could become a multistate regional transmission organization as soon as 2021, providing an integrated, multistate power market such as has long been popular in Eastern and Midwestern states.

California's grid expansion began in 2014, when it invited utilities in six contiguous states to join the Western Energy Imbalance Market, an exchange that allows California to offload its midday glut of solar and buy excess wind power from other states in the evenings. The smaller market, which has saved ratepayers millions of dollars and is expected to add new utilities soon, created a bridge to a Western RTO, a result long hoped for by FERC.

"It is being driven in the West by decisions being made by investor-owned utilities, public power, states in the West," FERC Commissioner Cheryl LaFleur, a Democrat, told POLITICO. "The resource mix is making it more advantageous to people to share power over a bigger footprint, and save money and increase reliability, so what's not to like?"

FERC's role in facilitating a market will be piecemeal: It will be required to approve new rules and rates for the larger organization as well as a slew of smaller, new agreements between utilities and the newly formed RTO.

Democratic FERC Commissioner Rich Glick says he also supports efforts to integrate the grid out West.

"Additional regional efforts will help reduce the price of integrating variable generation, such as wind and solar power and improve reliability," Glick said in an email. "For instance, the Northwest's vast hydropower resources can help alleviate concerns with the intermittency [sic] associated with wind and solar. In addition, as has been the case in other regions, such as MISO and PJM, a broad geographic scope helps minimize the variability associated with intermittent generation."

FERC Chairman Kevin McIntyre, a Republican, has said that while FERC hasn't been formally involved in the proceedings, staff has been talking to state officials, utilities and other interests about the efforts.

"It's an area of intense activity and lot of novel approaches being tried out there consistent with the reputation of the West," he told reporters last month. "It's an area that continues to garner our careful attention, and we work very closely with our partners out there. "

The new enthusiasm for power markets in the West has RTOs headquartered as far away as Pennsylvania and Arkansas eyeing the region for possible expansion. PJM, which operates the grid for most of the mid-Atlantic, signed a memorandum with PEAK Reliability, the entity responsible for keeping the lights on in much of the West. And the Little Rock, Ark.-based Southwest Power Pool, whose territory stretches through eastern Montana, has been negotiating with a coalition of Western utilities to become part of its RTO.

But both efforts have suffered setbacks in recent months that put California in the pole position to become the West's grid coordinator. PEAK lost several key members, most notably the utilities in California, after it signed the agreement with PJM. Now CAISO is adding reliability coordination to its list of functions, and it's attracting interest from major players, notably the Bonneville Power Administration and the Western Area Power Administration. And Xcel Energy, the largest member of the coalition negotiating with SPP, withdrew in April, establishing a western bound for SPP's expansion and leaving room for Xcel to join California's market.

The success of the Energy Imbalance Market has eased some of the fears that killed a Western grid in 2002 and has led to closer collaboration among the participating states: California, Oregon, Washington, Idaho, Nevada, Utah, Wyoming and Arizona. The market has saved ratepayers across the EIM \$330 million since its expansion, according to CAISO.

But the market allows sale of power only in 15-minute increments, a situation LaFleur characterized as "really just a market at the edges." Now the market is considering expanding to allow bids a day in advance, a move that would substantially expand its operations, and inch it closer to the full markets operated in the East. The market's success is also attracting broader interest — municipal power behemoth Los Angeles Department of Water and Power is slated to join next year.

Against this backdrop, California's Legislature is making progress on Western grid legislation introduced by California Assemblyman Chris Holden, an earlier version of which, CA AB726 (17R), was pulled last year. AB813 would require CAISO to develop new governance rules so

that other states could help direct the broader regional grid. Those rules could not take effect until 2021, and would need to be approved by the California Energy Commission.

"It's a safety net," he told POLITICO in a statement. "It says that no California-based utility can participate in a regional transmission operator unless that RTO follows several principles which reflect our foundational energy policies."

While Brown's support has been key, the bill's future grows murky if it does not pass by the time the Legislature adjourns Nov. 30. Democratic Lt. Gov. Gavin Newsom, who is running to replace Brown in this year's election, has not taken a position on the bill because the legislation is "still evolving," a spokesman said. His Republican opponent, John Cox, has also not opined.

The bill has strong support from significant players in the environmental movement, including the Environmental Defense Fund and the Natural Resources Defense Council, both of which are lobbying in favor of the bill, and the American Council on Renewable Energy, which sent a letter favoring the bill.

"The big benefits are, in participating in a West-wide market, is more ability to integrate renewables," said Carl Zichella, who directs Western transmission for NRDC. "From wind resources primarily, being able to use those resources at any hour of the day to meet load."

But more grass-roots wings of the green movement oppose the bill, including Sierra Club and the San Diego chapter of 350.org. The Utility Reform Network, a public advocacy group, also opposes, arguing that the market could create a situation where California ratepayers have to support coal plants saved by a potential bailout from Energy Secretary Rick Perry.

"Suddenly we would have, in the same balancing authority, a whole bunch of at-risk coal plants that California might have to subsidize," said Matt Friedman, a staff attorney with TURN. "We don't have that at-risk coal [in] California. There's no mechanism [right now] for FERC to use to force Californians to pay for those plants."

California's three investor-owned utilities have avoided taking a position on the bill. Helen Gao, a spokeswoman for San Diego Gas & Electric, said the company generally supports "the concept of a regionalized Western grid" to help California reach its renewable energy goals. But the Legislature "must first resolve existing critical issues that threaten the long-term sustainability and reliability of the grid," such as who must bear financial responsibility for property damage from wildfires caused by power lines.

Utilities elsewhere in the West are focused on the questions of governance. The California Independent System Operator's board of governors is selected by the state's governor, and outside utilities want that to be changed before they'd join a larger grid. PacifiCorp, which is owned by Warren Buffett and controls some of the largest utilities in the West, including Rocky Mountain Power and NV Energy, has not taken a position on the bill.

"The governance remains a big one, any kind of governances would need to work not only in California, but in the states we serve," PacifiCorp spokesman Bob Gravely said. "We couldn't join unless the states we join are comfortable."

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Zinke to shuffle top Interior Department career staff [Back](#)

By Ben Lefebvre | 06/16/2017 03:15 PM EDT

Interior Secretary Ryan Zinke is shuffling dozens of senior department staff to new positions, reassigning as many as one-quarter of the top career people into new jobs.

A spokeswoman for the agency confirmed the changes were taking place, which Jason Briefel, executive director of Senior Executive Services, told POLITICO could involve as many as 50 people.

That would be "a very large number" compared to the previous shakeups that occur when new administrations take power, Briefel said, and could require some staffers to change jobs in as little as 15 days.

A former Fish and Wildlife Service member told POLITICO a move of that breadth of the staff changes would be "unprecedented," and said the shakeup was rumored to move many of the people between DOI's various agencies.

DOI defended the moves.

"Personnel moves are being conducted to better serve the taxpayer and the department's operations through matching senior executive skill sets with mission and operational requirements," said DOI spokeswoman Heather Swift said. "The president signed an executive order to reorganize the federal government for the future and the secretary has been absolutely out front on that issue."

She decline to give details of the planned job changes.

According to The Washington Post, which obtained a copy of one the letters sent to Interior staff on Thursday, officials who received notices include Interior's top climate policy official, Joel Clement, who directs the Office of Policy Analysis, as well as at least five senior FWS officials.

Among the Fish and Wildlife officials are the assistant director for international affairs, Bryan Arroyo; the southwest regional director, Benjamin Tuggle; and the southeast regional director, Cindy Dohner, according to the paper. BLM New Mexico state director Amy Lueders would move to FWS, while Bureau of Indian Affairs Director Weldon "Bruce" Loudermilk, acting Assistant Secretary of Indian Affairs Michael S. Black and acting Special Trustee for American Indians Debra L. DuMontier would all be reassigned, the paper said.

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EPA was too slow to intervene in Flint crisis, agency watchdog says [Back](#)

By Annie Snider | 10/20/2016 01:44 PM EDT

EPA should have stepped in to address lead-contaminated drinking water that plagued Flint, Mich., seven months before it did, the agency's inspector general said today.

The finding is part of a "management alert" issued by the IG today — a move used to emphasize the immediacy of concerns and to encourage swift action. The IG is still working on a full report on the Flint crisis.

"These situations should generate a greater sense of urgency," Inspector General Arthur Elkins said in a statement. "Federal law provides the EPA with emergency authority to intervene when the safety of drinking water is compromised. Employees must be knowledgeable, trained and ready to act when such a public health threat looms."

According to the report, EPA's regional office knew in June 2015 that sufficient drinking water protections were not in place and residents were reporting concerns. The regional office argued that actions taken by the state prevented them from intervening under the Safe Drinking Water Act's emergency provisions, but the IG concluded that was incorrect. If the state's actions are deemed "insufficient" or are not taken in a "timely manner," EPA can use its emergency authority, the report says.

It wasn't until January 21, 2016, when the city's water crisis was garnering widespread media attention, that EPA issued an emergency order.

The report comes as Congress is deliberating over aid for the city. The federal government's role in the disaster is a key talking point for proponents of federal aid.

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EPW to hold nomination hearing for CEQ nominee July 19 [Back](#)

By Anthony Adragna | 07/12/2018 05:21 PM EDT

The Senate Environment and Public Works Committee will hold a hearing on Mary Neumayr's selection to lead the White House Council on Environmental Quality on July 19, according to a [notice](#).

Neumayr, who has been acting head of CEQ since March 2017, is the Trump administration's second selection to lead the department after Kathleen Hartnett White [withdrew](#) her name from consideration in February.

In addition, the panel will consider former Louisiana Rep. John Fleming's nomination to serve as assistant secretary of Commerce for economic development.

WHAT'S NEXT: The hearing will be July 19 at 10 a.m.

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White House criticizes Interior-EPA funding but stops short of veto threat [Back](#)

By Annie Snider | 07/18/2018 03:46 PM EDT

The president's advisers said they "appreciate" the timeliness of the funding measure for EPA, the Interior Department and other agencies being considered by the House this week, but called out a number of areas of disagreement with the measure in a statement this afternoon.

In its [Statement of Administration Policy for H.R. 6147 \(115\)](#) the White House stopped short of a veto threat, but expressed frustration with funding the measure would offer for programs slated for reductions or elimination in the president's budget. The Interior-EPA portion of the "minibus" measure, alone, offers roughly 25 percent more to the agencies than the Trump administration's budget blueprint did.

The White House advisers praised the inclusion of funding for water infrastructure through EPA's state revolving funds and Water Infrastructure Finance and Innovation Act credit program, and welcomed the measure's funding for energy development, National Park Service maintenance and wildfire response. But they raised concerns about funding for Interior land acquisition programs and EPA watershed programs. They also criticized EPA funding for grants to states, called categorical grants, which are broadly popular in Congress.

"Reductions to these grants would reduce Federal funding for State activities that go beyond statutory mandates, and would encourage a rebalancing of environmental program funding between Federal and State resources," the statement says.

The White House said the administration "looks forward to working with the Congress" as the appropriations process moves forward.

WHAT'S NEXT: The House is expected to vote on final passage of the funding measure Thursday.

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